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Foreign Crops and MARKETS



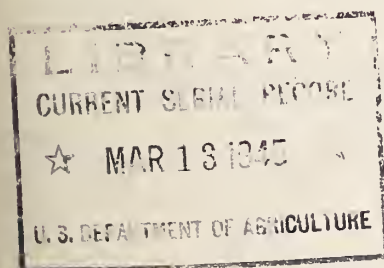
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AUSTRALIA HARVESTS SMALL WHEAT CROP

The 1944 wheat crop in Australia is estimated to be around 50 million bushels, or about a third of the pre-war average. The current harvest, the poorest since 1919, would be, at that level, one of the smallest on record. The small outturn is mainly due to severe drought and reduced seedings, with shortages of superphosphates and manpower as contributing factors. The drought caused considerable reductions in per-acre yields, with the average for the country now indicated at about 6.3 bushels per seeded acre, compared with normal yields of around 12.3 bushels.

Drought conditions at seeding time in the principal wheat-growing districts of New South Wales, Victoria, and South Australia hampered sowings and, with other curtailing factors, caused seedings to fall considerably short of the wheat goal, and somewhat below the 1943 acreage. The 1944 wheat sowings are estimated at around 8.1 million acres for grain, while the goal was set at 9 million acres. As a result of the severe drought damage, however, substantial areas failed as grain and were pastured or cut as hay. The acreage harvested as grain, therefore, is expected to be much below the 7.9 million acres harvested a year ago.

The wheat crop was reduced substantially in all four of the principal producing States, as a result of the drought, which was one of the most severe and widespread ever experienced in Australia. The greatest quantitative loss is reported for New South Wales, where the crop appears to be some 60 percent, or about 30 million bushels, less than the 1943 production and about 65 percent below average. The reduction in the crops of Victoria and South Australia was an even greater percentage decrease, the current outturn being only from 10 to 20 percent of normal. In Western Australia the harvest more nearly approached

the 1943 production, though it was less than half an average crop, largely as the result of compulsory reductions in acreage dating back to 1942. Queensland, in contrast with the important producing States, had one of the best harvests ever produced in that State.

Though crop conditions in New South Wales were generally unfavorable, the reduction in yields was most marked in the southern part of the State, where heavy wind and high temperatures during October and November took further toll of standing grain, which had already suffered some damage from the drought. Yields were also seriously damaged in the western part of the State, but in the northern region harvest results were about average, despite a large increase in the wheat acreage cut for hay.

Rains in Victoria during October and November gave some relief to the drought-affected crops in the southern half of the State and parts of the northeastern districts. In the principal wheat districts in the north and northwestern areas, however, crops were unrelieved and many complete failures were reported. The average yields in Victoria appear to be only from 2 to 3 bushels per acre, on the basis of present reports.

AUSTRALIA: Wheat production by States, 1944 with comparisons

STATE	AVERAGE 1933-1942	1942	1943	1944 FORECAST
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
New South Wales	52,591	51,693	47,500	17,978
Victoria	36,247	41,803	19,733	3,000 - 5,000
Queensland	4,604	5,005	5,089	6,000 - 7,000
South Australia	32,423	36,525	20,691	5,000 - 7,000
Western Australia	30,224	20,600	16,550	13,760
Tasmania	282	73	122	a/
Australian Capital Territory :	41	28	39	a/
Total	156,412	155,727	109,724	45,700 - 50,700

From official sources. a/ Not available.

In South Australia only about 700,000 acres of the 1,500,000 acres seeded were left to be harvested as grain, according to reports. The remainder was judged to be almost a complete failure or was to be cut for hay. Rains in this area in October and November were said to have made some improvement in yields.

Australia's price policy since 1942 has provided for a guaranteed price on the first 3,000 bushels of each grower's crop, with an advance at a lower rate on the portion of the crop in excess of 3,000 bushels (non-quota wheat). That policy has had a tendency to restrict production on the larger holdings, as the price received for the non-quota wheat was considered relatively unprofitable. The price of quota wheat of the 1944 crop is set at 4s.1-1/3d. per bushel (about 66 cents) while the guaranteed price for the amount in excess of the 3,000-bushel quota is 3s. per bushel (48 cents). Only about 20 percent of last season's wheat was estimated to be non-quota wheat.

As a result of the reduced yields this year, the Commonwealth Government will encourage increased seedings for the 1945 crop, according to an official announcement. To that end, growers in areas of crop failure this year will be permitted to plant double their licensed acreage in 1945. It should be noted, however, that during the past two seasons the area seeded has been somewhat less than the licensed area. The reduction is attributed largely to such factors as the low guaranteed price and shortages of labor and superphosphates. Assistance will be given growers to assure increased production, but relaxation of the regulations governing licensed acreages is planned for only the one year. Under expansion plans for the coming year, wheat may be seeded on farms not now registered for wheat growing.

Any substantial expansion of the wheat acreage, however, would be contingent on increased supplies of superphosphates, which have been very small during the war years. Supplies available to the main wheat producing area were placed at 127,000 tons in 1943 and 114,400 tons in 1944, compared with 401,300 tons in 1939.

According to a recent statement of the Minister for Commerce and Agriculture, the reduced supplies of superphosphates have been partly due to labor shortages. Increased amounts of rock phosphate have been imported, but the necessary labor involved in its manufacture has not been available.

Australia's 1945 wheat production goal, calls for seeding 11 million acres, which was considered the maximum area feasible under existing conditions. (Last year's goal was set at 9 million acres, but the area seeded was estimated at about 8.1 million acres). The 1945 State goals are as follows:

State	Acres
New South Wales	3,800,000
Queensland	500,000
Victoria	2,400,000
South Australia	2,500,000
Western Australia (minimum)	1,800,000
Total	11,000,000

Relief to grain growers in drought areas this season is provided for as outright grants to farmers, rather than loans, for crops that failed. An allowance is made also for crops which, though not complete failures, have fallen below a fixed mark.

With increased domestic needs for wheat expected to develop in 1945, as a result of reduced crops of feed grains and damage to pastures, supplies available for export or carry-over are expected to be small. During the past season, exports increased sharply as a result of active movement to India, Ceylon, the Mediterranean area, etc.

AUSTRALIA: Wheat supply and distribution, 1941-42 to 1944-45

POSITION	SEASON BEGINNING DECEMBER 1			
	1941	1942	1943	1944
	Million bushels	Million bushels	Million bushels	Million bushels
Carry-over	46	108	158	75
Production	167	156	108	50
Utilization	60	69	a/ 99	
Exports	45	37	92	
Carry-over	108	158	75	

From official and unofficial sources.

a/ Includes substantial quantities for feed.

Based on reports from the

American Consulate, Sydney, Australia

COTTON ACREAGE IN MEXICO MAY BE REDUCED THIS YEAR

Mexican cotton growers are expected to reduce their acreage this year (planting begins in February) because of higher costs of production, a reduction of 1.5 to 5 pesos per 46 kilograms (0.3 to 1.0 cent per pound) in the Government's schedule of buying prices, and a new policy adopted by Mexican banks to limit credit for cotton production to 50 percent of the amounts advanced in 1944. These actions were taken because of the excessive stocks of cotton that have accumulated during the war years and the poor prospects for their disposal on world markets in the near future, except with losses. Farmers are encouraged to grow more food crops, particularly wheat, because of the smaller outlay of funds required and a quicker turnover of investment. Early reports on wheat planting indicate that some shift in this direction already has taken place.

MEXICO: Cotton acreage, production, and disappearance, 1944 with comparisons

YEAR	ACREAGE	PRO- DUCTION	CON- SUMPTION	a/ EXPORTS
	1,000 acres	1,000 bales	1,000 bales	1,000 bales
Average				
1935-36 to:				
1939-40 ..	725	334	239	98
Annual				
1940-41 ..	627	302	238	36
1941-42 ..	781	375	263	25
1942-43 ..	886	481	371	26
1943-44 ..	931	531	382	31
1944-45 c/	1,095	556	382	-

Compiled from official sources and consular reports.

a/ Calendar years 1935 to 1944. b/ August-July basis. c/ Preliminary.

Cotton production in Mexico increased during the war years from a 1935-1939 average of 334,000 bales (of 478 pounds net) to a record crop of 556,000 bales in 1944. An increase of about 164,000 acres was reported for 1944, and production would have been considerably larger except for unfavorable weather during most of the season in the two largest districts (Laguna and Mexicali). The cold, rainy weather that prevailed late in March hindered the growth of young plants and made necessary a considerable amount of replanting. Drought during the middle of the season was followed in the late summer picking season by heavy rains and floods that damaged or destroyed a part of the crop before picking was completed. The quality of the crop was lower, as indicated by the fact that only 25 percent of the cotton from the Laguna district offered in 1944 was graded as Strict Middling 1 inch or better, compared with 63 percent in 1943.

Cotton prices have been supported by Government action since August 13, 1943, when minimum prices were established by decree. Official basic prices ranged from 96 pesos per 46 kilograms (19.48 cents per pound) for Strict Middling 1 inch staple in the Juarez Valley to 88 pesos (17.85 cents) in the Mexicali district, with those in the Laguna and Delicias districts fixed at 95 pesos (19.27 cents). These prices were about equal to open-market prices at that time but were 2 to 4 United States cents per pound higher than the average monthly quotations at Torreon during 1942 and the first 4 months of 1943. In December 1943, the Government changed its method of maintaining prices by authorizing the Banco de Comercio Exterior (Foreign Trade Bank) to act as a cotton-buying agency for the Government, using the same price schedule.

This price guaranty was intended as a protection for cotton growers in view of a general rise in other commodity prices toward an inflationary level, while cotton prices were relatively low and threatened by depressive effects from large stocks. Cotton growers were satisfied with the arrangement and increased their acreage in 1944 by about 164,000 acres, or 18 percent, above the record of 931,000 acres planted in 1943. The Government purchased about 300,000 bales, or 60 percent of the 1943 crop and had about 200,000 bales of it on hand at the beginning of the new season, July 1, 1944. Government purchases are believed to have been heavy since that time, as dealers were reluctant to accumulate large stocks because of transportation difficulties and lack of storage facilities. Mills in the Federal District and States of south central Mexico

account for 85 to 90 percent of domestic consumption, whereas cotton-producing areas are all located in the north, and the raw material must be moved southward largely by rail.

Cotton stocks rose steadily during the war years to a record level of about 450,000 bales on June 30, 1944, compared with a pre-war average of 75,000 to 100,000 bales. Warehouses in producing areas are not sufficient to store this quantity. A considerable amount of cotton, including Government stocks, is piled in open spaces where losses from weather damage in 1944 were substantial. Unofficial estimates of losses run as high as 20,000 bales.

Faced with this surplus problem and the poor prospects for disposal of any significant quantities on foreign markets, the Government reduced its buying prices on June 23, 1944, by 3 pesos per 46 kilograms (0.61 cent per pound) in all areas except Matamoros and the West Coast, where reductions amounted to 1.5 and 5 pesos (0.30 and 1.01 cents), respectively. Cotton growers, quite naturally, expressed considerable dissatisfaction with this action, in view of increased costs of production in 1944 and losses due to rains and floods.

The Government, in order to offset anticipated losses from falling prices, weather damage to unprotected cotton, and costs of storage over long periods, instituted a tax of 10 pesos per 46 kilograms (2.03 cents per pound) on all cotton sales by ginneries and local buyers, effective July 10, 1944. The immediate effect of this decree was a sharp reduction in purchases by manufacturers in Mexico, because most of

them had large stocks on hand. This action also makes it more difficult for private exporting firms to meet competition on world markets as long as minimum prices are supported by the Government.

Cotton exports amounted to about 31,000 bales during the year ended July 31, 1944, nearly all of which were made by the Foreign Trade Bank on behalf of the Government. Exports to the United States are limited by quota to about 17,000 bales, established by the United States for each year beginning September 20, 1939. About 8,000 bales of the 1943-44 total were exported to Canada, as indicated by Canadian import statistics. Present cotton prices in Mexico are too high to permit further sales for export without substantial losses. Larger-than-normal quantities of Mexican cotton are being shipped to the United States for storage in bond, because of a shortage of storage facilities in Mexico.

Cotton mills in Mexico are still operating at near-capacity levels, with consumption at a level of around 380,000 bales annually, compared with a 1935-1939 average of 239,000 bales. Domestic cotton mills are providing practically all of Mexico's requirements for cotton textiles, except certain high-quality specialties, and have entered the export market on an increasing scale since the beginning of the war. Exports of cotton piecegoods, mostly to Central America and islands in the Caribbean, increased from 8 short tons in 1939 to about 8,500 tons in 1943. This trade declined to some extent in 1944, largely because of price increases based on higher manufacturing costs in Mexico.

C. H. Barber

LATE COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDS

CANADA'S 1944 GRAIN ESTIMATE REVISED

The latest estimate of Canada's 1944 grain production shows a considerable reduction from the previous estimate in the case of wheat and oats and a small reduction

in barley. The wheat production is now placed at 435,535,000 bushels, as compared with the former estimate of 453,240,000 bushels, and the revised estimate for 1943 of 284,460,000 bushels. The 1944 harvest in the Prairie Provinces is now estimated at 411,000,000 bushels, compared with the final estimate of 268,000,000 bushels for the 1943 crop. The change since the second estimate

of the 1944 crop involves a reduction of 10,000,000 bushels in Saskatchewan and of 8,000,000 in Alberta.

The oats crop, as placed at 499,643,000 bushels, is some 22,000,000 bushels smaller than the second estimate, but is still a little above the 1943 production. The reduction in the current estimate was about equally divided between Saskatchewan and Alberta. A reduction of about 4,500,000 bushels in Canada's barley outturn was due largely to the reduced estimate for Saskatchewan.

The average farm prices per bushel received in 1944, with revised estimates for 1943 in parentheses, are as follows, in Canadian cents per bushel: Wheat 106 (101), oats 53 (53), barley 66 (66), rye 84 (96), mixed grains 60 (63), shelled corn 99 (87). The price of hay and clover in 1944 shows a gain of more than \$1.00 per ton compared with the 1943 price. The current rate is reported at \$12.16 per ton, compared with \$11.04 a year ago (both in Canadian currency).

AUSTRALIA'S FEED GRAINS REDUCED BY DROUGHT

Estimates of the 1944 production of feed grains (principally oats and barley) are not available for all Australia, but recent reports point to greatly reduced yields, as a result of general drought conditions. Oats are mainly produced in the wheat belt and, since the growing period corresponds with that of wheat, the current situation is reported to be similar for the two grains. (See page 62 for comments on the wheat situation.)

Large oat areas were grazed during the growing season, because of the scarcity of natural pastures. The crop is expected to be much below average in New South Wales, Victoria, and South Australia. In Western Australia production is estimated to be slightly larger than last year's crop in that State, with the acreage to be harvested also reported larger than a year ago.

A serious shortage of oats in Australia is reported, and imports may be required during the current season. With the need

to assure adequate supplies of seed for the 1945 crop, control of oats in New South Wales was placed under the Minister of Agriculture for that State, and no sale or shipment can be made without a permit.

The barley crop, which is grown principally in South Australia and Victoria, is reported to be small and the quality generally poor. A considerable part of the seeded area is said to have been lost as grain, either through total failure or use for grazing.

DROUGHT UNBROKEN IN ARGENTINE CORN ZONE

Light to heavy rains were reported throughout Argentina's grain belt during the last week of January, but rainfall in the drought-stricken corn zone was inadequate for any important recovery, according to a recent cable. Rains were heaviest in some important pasture areas, especially in the Province of Buenos Aires, and pastures are expected to benefit greatly.

UNFAVORABLE WEATHER DAMAGES BRAZILIAN RICE CROP

It was recently reported that the 1944-45 rice crop in Rio Grande do Sul, Brazil, might be reduced as much as 30 percent below last year's production because of unfavorable weather. The acreage planted to rice was slightly increased, but excessive rains during October delayed seeding about a month. Rice planting took place on a large scale in November. A drought during most of that month, however, damaged the young plants considerably in most areas.

The rice crop in Rio Grande do Sul is of particular interest because it furnishes about 95 percent of Brazil's total rice exports, and is now an important source of rice for the United Nations. The record crop in 1944 amounted to more than 22 million bushels (645 million pounds milled), exceeding the 1942 production, which was the previous high, by 7 million bushels (200 million pounds). The exportable surplus from the 1944 crop was not as large as anticipated because it was necessary to

supply the State of São Paulo with a substantial quantity to relieve the shortage caused by the small rice crop there last season. Furthermore, rice consumption in Rio Grande do Sul was reported to have increased substantially last year. Figures showing the amount of rice exported from Rio Grande do Sul in 1944 are not available. It is estimated, however, that exports from all Brazil were at least 100 million pounds above the previous record exports of approximately 200 million pounds in 1943.

VEGETABLE OILS AND OILSEEDS

RAINS BRIGHTEN PROSPECTS FOR ARGENTINE SUNFLOWER SEED

Rainfall in Argentina during the latter part of January may prove beneficial to the sunflower-seed crop, particularly in the Province of Buenos Aires, where more than 50 percent of the crop is produced. Planting usually takes place in October and November, and harvesting in March and April. The first estimate of area is expected to be released about February 10. So far there has been no indication of the size of this year's production. Dry weather in December and January damaged the crop; the extent, however, will probably not be known until harvest. In 1944 more than 2 billion pounds were harvested from 3.1 million acres.

Prior to the recent rains, the spot price of sunflower seed in Puenos Aires advanced from 13.90 pesos per 100 kilograms (\$1.88 per 100 pounds) to 14.80 pesos (\$2.00) by the middle of January, while February futures rose from 14.13 pesos (\$1.91) to 15.25 (\$2.06).

COTTON AND OTHER FIBERS

FRENCH COTTON-TEXTILE MILLS NOT SERIOUSLY DAMAGED

French cotton-spinning mills are reported to be capable of resuming operations in 1945 on a basis that will require nearly 700,000 bales of cotton, according to preliminary and incomplete data received from mill centers. This is somewhat more than half of the average consumption of 1,181,000

bales for the 5 pre-war years, 1934-1938. The damage sustained by cotton mills as a result of military activity was not heavy, except possibly in present zones of military operations from which no information is available. Damage to docks, warehouses, and other port facilities, however, were heavy in most cases and would retard any large-scale movement of cotton into France in the near future, even if such supplies and shipping facilities were available.

French mills are seriously handicapped at present by shortages of fuel for power and heating, a breakdown of internal transportation for civilian goods, and scarcity of experienced workers, many of whom were sent to Germany for work in war industries. Early resumption of mill operations is urgent to overcome the 4-year dearth of cotton textiles. In pre-war years the French cotton textile industry employed about 200,000 people in spinning, weaving, and complementary operations, but it is estimated that more than 800,000 workers were dependent, directly and indirectly, on this industry for a livelihood.

Normally about two-thirds of the cotton imported into France is composed of American or similar types, with most of the remainder divided about equally between Egyptian and Indian. The shortage of transportation, both internal and external, is the principal handicap to be overcome.

COTTON SUPPLY SITUATION IN SPAIN IMPROVES

Imports of cotton into Spain during November 1944 were the highest for any month of the year and totaled 80,000 bales (of 478 pounds net), including 57,000 bales from the United States and 23,000 from the Belgian Congo. An additional 29,000 bales arrived from the Belgian Congo during the first 13 weeks of December, and about 14,000 bales were expected from the United States before the end of the month or early in January. Imports during the first 11 months of 1944 totaled 346,000 bales, compared with 336,000 for a similar period in 1943.

The November arrivals were particularly welcome in view of the fact that port stocks at the end of October had reached a low point

of only 14,000 bales. At the end of November, port stocks were estimated at 76,000 running bales, including 47,000 bales of American and 25,000 of Congo cotton.

There was little change in mill operations in November. Large mills operating under contract maintained a working schedule of 5 double-shift days per week, but smaller mills without contracts were reduced to 3 days per week, because of restrictions on use of electric power. Distribution to mills in November was slightly increased to 69,000 running bales, but 55,000 were small Congo bales, averaging less than 200 pounds.

The 1944 cotton crop in Spain is still estimated at 27,000 bales, composed almost entirely of American-type cotton. This figure is slightly larger than the record of 24,000 bales for 1943.

WEEKLY COTTON PRICES ON FOREIGN MARKETS

The following table shows certain cotton price quotations on foreign markets, converted at current rates of exchange.

COTTON: Price of certain foreign growths and qualities in specified markets

MARKET LOCATION KIND, AND QUALITY	DATE : : 1945 :	PRICE PER POUND
		Cents
Alexandria (spot)	:	:
Ashmouni, F.G.F.....	1-18:	29.23
Giza 7, F.G.F.....	1-18:	32.15
Karnak, F.G.F.....	1-18:	31.94
Bombay (March futures)	:	:
Jarila	1-19:	17.30
Bombay (spot)	:	:
Kampala, East African	1-19:	36.31
Buenos Aires (spot)	:	:
Type B	1-20:	14.72
Lima (spot)	:	:
Tanguis, Type 5	1-19:	15.47
Recife (spot)	:	:
Mata, Type 5	1-19:	12.68
Sertao, Type 5	1-19:	13.50
São Paulo, (spot)	:	:
São Paulo, Type 5	1-19:	14.16
Torreon (spot)	:	:
Middling, 15/16"	1-19:	18.11

Compiled from weekly cables from representatives abroad.

TOBACCO

CUBA INCREASES TOBACCO PRODUCTION

The 1944-45 tobacco crop in Cuba is estimated at between 70 and 75 million pounds on the basis of increased acreage and favorable development of the crop. Revised figures place the 1943-44 crop at about 65.7 million pounds as compared with preliminary estimates of only 59.5 million pounds.

The 1943-44 production was the largest since 1930-31, when nearly 82 million pounds were harvested. In 1942-43, production amounted to 41.6 million pounds. Production during the 5 years 1937-38 through 1941-42 averaged 50.1 million pounds annually.

HONDURAN TOBACCO PRODUCTION LOWER; CONSUMPTION AND EXPORTS INCREASED

Unfavorable weather conditions in Honduras during the 1943-44 growing season reduced tobacco yields considerably below normal, and production is estimated by the Government Statistical office at about 4.2 million pounds, as compared with the 1942-43 outturn of about 4.8 million pounds. Trade sources, however, estimate the 1943-44 crop to have been considerably lower than the Government figure. Heavy demand for leaf, for both export and domestic consumption, resulted in complete disposal of the crop at prices higher than those paid in 1942-43, and increased plantings are reported for the 1944-45 season. The domestic production is sufficient to meet the bulk of the country's consumption needs and to furnish sizable quantities for export.

Consumption of tobacco products in Honduras during the 12 months April 1943-March 1944 showed an increase over the previous year. Government reports reveal that sales of cigarettes in 1943-44 totaled 12,483,000 packages, as compared with 10,428,000 packages in 1942-43. Government reports of cigar sales, which do not include the large output of numerous small establishments, totaled 931,000 pieces, as compared with 811,000 in 1942-43. Sales of smoking tobacco were unimportant in both periods.

The Honduran export trade in leaf and products is more important to the grower than domestic demands. During the period April 1943-March 1944, the country exported to El Salvador 3.3 million pounds of leaf tobacco, and about 100 million cigars. In 1942-43 exports of leaf amounted to only 2.3 million pounds while cigar shipments totaled 84 million. There were no exports of smoking tobacco in 1943-44, and in 1942-43 shipments of this product amounted to only about 18,000 pounds. Imports of leaf and products are negligible, and consist principally of cigars from El Salvador, and flue-cured leaf from the United States. In 1943-44, imports of leaf totaled 36,000 pounds, as compared with 53,000 pounds in 1942-43. Cigar imports amounted to 87,000 pounds in 1943-44, compared with 57,000 pounds in 1942-43.

ARGENTINA'S 1944-45 TOBACCO ACREAGE LARGER

The area planted to tobacco in Argentina for the 1944-45 season is 55,766 acres, or about 23 percent larger than the estimated 1943-44 acreage of 45,308 acres, according to the first estimate of the Argentine Ministry of Agriculture. The average area planted to tobacco during the crop years 1940-41 through 1942-43 was 47,793 acres.

SWEDEN'S TOBACCO CONSUMPTION INCREASES

Sweden's consumption of tobacco products in 1944 is reported to have been the largest on record in spite of continued consumer rationing. Demands for American cigarettes were heavy. Rationing of tobacco products has been in effect in Sweden since June 1942, but substantial imports of leaf since the middle of 1943 have enabled gradual increases in the quantities of products allotted to consumers. Rations for the period June 24 to October 6, 1944, were about 22 percent larger than those for the first ration period, June 1 to September 18, 1942.

Estimates place the country's 1944 consumption at 4.4 million pounds of pipe

tobacco, 35 million cigars, and nearly 3 billion cigarettes. Average pre-war consumption was about 2.6 million pounds of pipe tobacco, 20 million cigars, and 2 billion cigarettes annually. No information is available regarding 1944 consumption of snuff, chewing tobacco, and cigarillos, but total pre-war usage of these products averaged about 11 million pounds annually.

Imports of American cigarettes during 1944, though of a relatively small quantity, are believed to have been the largest on record. Popular brands of imported cigarettes currently retail at about 65 cents per package. The Monopoly's control of imports of tobacco products, begun in July 1943, has proved satisfactory to tobacco dealers who state that they realize greater profits on sales of cigarettes imported by the Monopoly than they could by importing independently. Imports of cigarettes into Sweden from the United States during the period 1935-1939 averaged only 109 million pieces annually.

FRUITS, VEGETABLES, AND NUTS

SICILIAN CITRUS PRODUCTION DOWN

The 1944 production of oranges in Sicily is estimated at 4,951,000 boxes of 70 pounds, a decrease of 10 percent from the 1943 crop. Mandarines are estimated at 1,351,000 boxes or a little less than the 5-year average, 1936-1940. Sicily produces about 90 percent of the total Italian lemon crop, which is estimated at 7,519,000 boxes of 76 pounds.

CITRUS: Production in Sicily,
average 1936-1940, annual 1941-1944

YEAR	ORANGES AND MANDARINES :				LEMONS
	ORANGES :	MAN- DARINES :	TOTAL :		
	: 1,000	: 1,000	: 1,000	: 1,000	
Average	: boxes	: boxes	: boxes	: boxes	
1936-1940	: 6,123	: 1,331	: 7,454	: 8,676	
1941	: 6,148	: 2,072	: 8,220	: 9,100	
1942	: 5,143	: 1,833	: 6,976	: 8,406	
1943	: 5,477	: 1,361	: 6,838	: 7,359	
1944	: 4,951	: 1,351	: 6,302	: 7,519	

Compiled from official sources.

BANANA PRODUCTION IN ECUADOR INCREASED

The preliminary estimate of the production of bananas in Ecuador for export in 1945 is 1 million bunches, or about double that of 1944 but only one-half as large as the average exports for 1936-1940. Because of lack of refrigerated shipping space, exports have been limited, and until refrigerator space is available, all exports will probably go to Chile and Peru. Acreage and production have decreased sharply in the past 2 years, due in part to failure to make new plantings and in part to the shift of banana land to other uses. The area is now estimated at 8,000 acres, or about half of the acreage in 1942.

BANANAS: Exports from Ecuador, January-October 1944, with comparisons

COUNTRY	UNITED STATES	CHILE	PERU	TOTAL
	: 1,000 bunches	: 1,000 bunches	: 1,000 bunches	: 1,000 bunches
Average 1936-1940	: 1,202	: 747	: 84	: 2,033
1941	: 595	: 708	: 31	: 1,334
1942	: 251	: 602	: 27	: 880
1943	: 78	: 519	: 19	: 616
1944 a/	: 0	: 427	: 13	: 440

Compiled from official sources.

a/ January-October only.

BLUEBERRY PRODUCTION IN NEWFOUNDLAND LOW

The 1944 harvest of blueberries for export in Newfoundland is estimated at 750,000 pounds, or 17 percent less than the 1943 harvest and 45 percent below the 1942 crop. Normal production is estimated at between 5,000,000 and 6,000,000 pounds. There is no cultivated crop of blueberries in Newfoundland, but the fruit grows wild in areas known as "barrens" or burned-over forest lands. Estimates of total acreage and production are not available.

Production varies with weather and labor, the latter being the more important. Pickings in 1940, totaling 6,000,000 pounds, were the largest of many years, that season being the last summer of the depression, with labor plentiful. In 1942, wet weather

handicapped pickers, and all able-bodied men were either in the services or had steady employment, leaving only women and children to pick berries. In 1941, experimental burning was undertaken for the first time, when 400 acres were burned over; in 1942, 1,300 acres more were burned over, and the following year production had improved considerably in all burned-over lands. Cleaning belts have been installed in some plants to remove all foreign matter in order to improve quality for export.

Consumption figures are not available, but every housekeeper preserves several gallons each season.

Demand for blueberries in the United States is good, mostly for pie bakers. The United States has taken all exports of blueberries from Newfoundland since the advent of frozen foods.

BLUEBERRIES: Newfoundland production and exports, 1940-1944

YEAR	PRODUCTION a/	EXPORTS
	: 1,000 pounds	: 1,000 pounds
1940	: 6,000	: 6,223
1941	: 750	: 523
1942	: 1,350	: 1,510
1943	: 900	: 864
1944	: 750	: b/ 300

a/ "Pickings" delivered to exporters.

b/ 450,000 pounds on hand in warehouses.

FIRST ESTIMATE OF ARGENTINE EARLY POTATOES

The production of early potatoes in the Argentine zones where two annual crops are grown is estimated at 12,320,000 bushels in 1944-45, or about 32 percent less than the 1943-44 crop. Unfavorable weather has resulted in an abandonment of 8.5 percent of the planted acreage compared with 1.7 percent in 1943-44 and relatively low yields on the harvested acreage, only 90 bushels compared with 131 bushels per acre. The most important decrease in production compared with last year's crop occurred in the southern region of Santa Fe Province. Of the total early crop, 10,282,000 bushels, or 83 percent, are indicated to be of marketable quality.

In the zones of one annual crop, the acreage planted to potatoes for the 1944-45 season is estimated at 256,000 acres, or a decrease of 2.3 percent from the previous year's acreage.

LIVESTOCK AND ANIMAL PRODUCTS

DECREASE IN AUSTRALIAN MEAT OUTPUT EXPECTED

Meat output in Australia this year is expected to show a decrease from the high level of the 3 preceding years. If the drought, which has now prevailed for several months, is prolonged into the fall and winter seasons (March-August), heavy losses of livestock may be expected. Although there may be an increase in slaughter, it is likely to be offset, in part, at least, by lighter dressed weights. Preliminary forecasts made late in 1944 indicate a probable reduction in total meat output of about 5 percent, with the greatest relative decrease in lamb and mutton and the smallest in beef and veal. Subsequent reports indicate a possible greater reduction in output.

AUSTRALIA: Meat production (carcass weight) forecast for 1945, with comparisons

	BEEF	MUTTON		
YEAR	AND	AND	PORK	TOTAL
	VEAL	LAMB		
	Million	Million	Million	Million
Average	pounds	pounds	pounds	pounds
1934-1938	1,190	709	195	2,094
1942	1,144	895	233	2,272
1943	1,159	930	204	2,293
1944	1,110	902	272	2,284
1945 ^a /.....	1,082	818	262	2,162

Compiled from official sources.
^a/ Forecast.

Pasture and feed conditions have deteriorated most in New South Wales, Victoria, and South Australia, where sheep are most numerous. Rather heavy losses of sheep have been reported in New South Wales. Conditions were reported to be somewhat better in Queensland, which has the largest proportion of the cattle and supplies the bulk of the beef for the export trade.

LARGE ACCUMULATIONS OF WOOL IN THE UNION OF SOUTH AFRICA

Wool continues to accumulate in the Union of South Africa. Stocks on December 31, 1944, were estimated at 400 million pounds, or 8 percent more than the carry-over reported at the beginning of the season.

Apparent supplies of wool for the entire 1944-45 season (July-June), including carry-over and estimated production, totaled approximately 600 million pounds. The carry-over was 357 million pounds and the season's clip was estimated at 250 million pounds. Supplies were about 25 percent above 1943-44 and 134 percent above the average for the 5 years 1934-35 to 1938-39.

Declared exports to the United States in the first 6 months (July-December) of the current season totaled 14 million pounds, which was an increase of about 4 million pounds over the corresponding period of 1943-44. Sales to the British Wool Commission, principally for export to the United Kingdom, totaled 137 million pounds. Corresponding figures for the same period of the preceding season are not available.

Exports in the entire 1943-44 season fell to the low level of 52 million pounds, actual weight of grease and scoured wool, which was 48 percent below 1942-43 and 78 percent under the average for the five seasons 1934-35 to 1938-39. The United States has never been an important user of South African wool, but in 1941-42 exports to this country totaled 199 million pounds, part of which was for the strategic stock pile of fine wool stored here. Exports to this country fell to 38 million pounds in 1942-43 and were only 20 million pounds in 1943-44. Since the war began, the bulk of the South African exports have been to the United Kingdom. In the 5 years preceding the war, however, of total exports amounting to 231 million pounds, 157 million pounds went to continental Europe, principally to Germany.

DECLINE IN AUSTRALIAN DAIRY PRODUCTION INDICATED

Unless fairly substantial rains are received in the three principal dairying

States of Australia within the next few months, dairy production in 1944-45 will be well below that of 1943-44. Pasture conditions were good in the opening month of the current season. By November, however, the drought, experienced earlier in the sheep and wheat areas of the country, had spread to the main dairying districts of New South Wales and Queensland, causing a serious deterioration in pastures. In both States, production declined sharply in November and December. In Victoria, where conditions were much more favorable, production in the first 5 months, July to November, exceeded that of the same period a year earlier. These three States produce about 90 percent of the total output of Australian dairy products. The larger output in Victoria was an important factor in limiting the decrease in output for the whole of Australia to less than 10 percent. In South Australia and Western Australia, which are not important in dairy production, the output in the July-November period was below that of the preceding year, while in Tasmania it was maintained.

Total butter production, which was slightly above a year earlier in the first 4 months of the season, declined in November. Output for the 5 months amounted to 134,828,000 pounds, or 92.8 percent of the quantity produced in the same period in 1943, and only 82.4 percent compared with 1942. Production was heaviest in Victoria, which leads in the output of butter as well as cheese. The total amount of butter produced from July to November was the lowest for that period since 1939, at which time production reached 196,151,000 pounds.

Cheese production, which also showed a slight increase over 1943 in July-October, also declined in November. The total quantity produced in the 5 months ended November 30 amounted to 40,795,000 pounds, or 98.7 percent of the output in the same 5 months of 1943, and 97.4 percent of 1942.

Unfavorable pasture conditions, smaller herds, and insufficient fodder brought about such a decline in milk production in the areas supplying Sydney and Newcastle that rationing was introduced on December 15, nearly 3 months earlier than in 1943.

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
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